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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

September 24, 1999

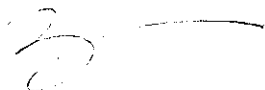
Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Notice of Ex Parte Meeting, Local Number
Portability Cost Recovery,
CC Docket No. 95-116

Dear Ms. Salas:

Today, I met with Tamara Preiss, Deputy Chief, Competitive Pricing Division, Common Carrier Bureau, to discuss matters reflected in the attached. In accordance with Commission Rules, I am submitting two copies of this notice. Kindly stamp the additional return copy provided. Please direct any questions regarding this filing to me.

Sincerely,



Gina Harrison
Attachment
cc: T. Preiss

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List ABCDE



Number Portability Cost Recovery

NECA

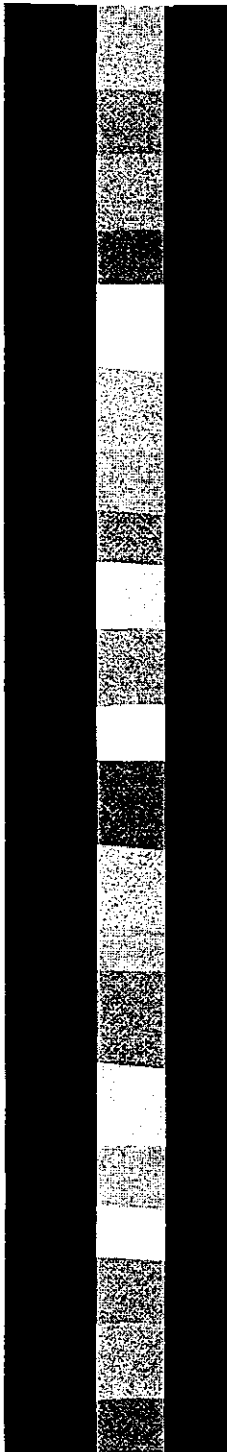
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Chronology

- Third Report and Order permits LNP-capable companies to recover LNP costs for a five-year period in an end-user charge, but is silent with respect to non-LNP-capable carriers (May 1998).
- NECA Expedited Petition for Reconsideration seeks clarification of how non-LNP-capable ILECS can recover LNP-related costs that they incur (July 1998).
- NARUC 1999 Winter Meeting urges FCC to take action on these costs (February 1999).
- At FCC staff suggestion, NECA files petition for Expedited Interim Waiver (March 1999).

Non-LNP-capable LECs can't recover their LNP costs

- Section 52.33(a) of the Commission's Rules permits LNP-capable LECs to recover LNP-related costs in federally-tariffed end user charges.
- The rules fail to provide for LNP-related costs for carriers that are not LNP-capable. These carriers can nevertheless incur both query and numbering administration costs, without any authorized recovery mechanism.
- Third Report and Order mandates exclusive federal cost recovery, ruling out state recovery (paragraph 29).
- Rural LECs, outside of the 100 largest MSAs, are not required to offer local number portability absent a bona fide request (Third Report and Order, paragraph 17)).
- However, non-LNP-capable carriers often have to hand off traffic to neighboring LECs who are offering number portability. These non-LNP capable carriers are considered n-1 carriers in these circumstances. As such, they have to query the LNP database to determine the proper terminating carrier. These non-LNP-capable carriers then incur query charges.
- These uncompensated query charges are mounting.



The FCC should grant expeditious interim relief

- Non-LNP-capable carriers should be allowed to include LNP costs in their normal accounts, recovering them through interstate access charges, until they also offer number portability.
- The FCC recently proposed similar treatment for recovery of costs associated with number pooling. NPRM, Numbering Resource Optimization, CC Docket No. 99-200, FCC 99-122, at para. 204.

The FCC must also address long-term issues

- The FCC mandated a five-year recovery in end user charges for LNP-capable LECs to recover number portability investments.
- It is likely that non-LNP capable LECs will continue to incur query and numbering administration charges after five years.
- Thus, FCC must also address long-term cost-recovery mechanism for these LECs.



Conclusions

- Non-LNP-capable carriers are starting to get bills for query charges.
- The Bureau should act promptly to correct anomalies that leave these carriers without recovery. The Bureau should grant NECA's petition for expedited waiver. The waiver should stay in place until number portability is offered by the LEC, or at a minimum, decides NECA's Expedited Petition for Reconsideration.
- The FCC must also decide long-term cost recovery issues for non-LNP-capable LECs.